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Canada's Housing Co-operatives: An Alternative Approach to Resolving Community Problems

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CANADA'S HOUSING CO-OPERATIVES: AN ALTERNATIVE APPROACH TO RESOLVING COMMUNITY PROBLEMS

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1. Introduction

The problems of modern settlements, ranging from the economic and physical decline of neighbourhoods to the breakdown of communities and the housing affordability problems facing low and moderate-income households, have been the focus of many studies, reports and government programs in developed nations during the past twenty-five years. More often than not, the problems have been identified and treated in isolation from each other, through programs with narrowly conceived goals and within a welfare framework in which governments have figured as the primary actors in problem resolution.

Consistent with this pattern, Canadian housing policy has addressed economic and income redistribution goals separately, paying little attention to the problems of housing distribution and community development. A succession of market-oriented and social housing programs have been directed, with varying degrees of success, towards supplying new housing, improving existing stock, ameliorating the affordability problems of low-income households, and providing shelter for households with special needs. It has become apparent, however, that the mere satisfaction of physical shelter needs does not, by itself, create healthy communities. Moreover, where governments or benevolent organizations have assumed responsibility for housing those unable to compete for shelter in the private market, the initiatives, at their most successful, have not changed the relationship of individuals to society or helped to arrest the disturbing social trends associated with contemporary urban life.

Given the mixed success of past programs and the current emphasis in many western nations on reduced public spending on social programs, there is a growing recognition that more must be accomplished with the limited resources available. New strategies that integrate solutions to housing and wider community problems are necessary.

This paper focuses on one such strategy: Canada's non-profit co-operative housing movement. The success of the movement in addressing wider social needs at the same time as it provides affordable shelter stems from two characteristics common to all types of consumer co-operatives. First, co-operatives, by their nature, address social goals as well as the economic needs of their members. They are intended not only as a means of fostering consumer control over services and prices but also as a vehicle through which members can work together to resolve non-economic problems. Second, co-operatives are a community-based response to

problems. This implies both that they arise within a community experiencing a particular need and that they are managed and controlled by those whose problems they are formed to address. As such, they are a vehicle for community development. These two features have enabled housing co-operatives to respond effectively to community problems that other initiatives have failed to solve.

Before describing more fully how housing co-operatives successfully integrate solutions to housing and other community problems, the paper will review the evolution of the Canadian movement and outline the essential features of the Canadian model and the organization of the movement. Finally, the movement's future prospects and factors that may inhibit its growth will be evaluated.

2. The Evolution of the Co-operative Housing Movement in Canada

As Michael Dennis and Susan Fish observed in their landmark study of low-income housing in Canada, Canada has never had a comprehensive social housing policy. In contrast to attitudes toward health and education services, for example, neither the state nor its citizens have viewed the satisfaction of the population's housing needs as a public responsibility.[1] From the beginning, Canadian housing policy has been dominated by two equally strong beliefs. The first is that individual home ownership is both a proper and a realistic aspiration for all but a minority of Canadians. The second is that society should rely as far as possible upon an unregulated private market to meet its housing needs: provided enough new units are produced, market forces will ensure that affordable housing filters down to those with less purchasing power. If government intervenes in the housing market at all, its interventions should be for the purpose of regulating the economy, by slowing down or speeding up housing production,[2]

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1 Michael Dennis and Susan Fish, Programs in Search of a Policy: Low Income Housing in Canada (Toronto: Hakkert, 1972), pp. 126-127.

2 In explaining the origins of the Dominion Housing Act of 1935, the federal Government's first intervention in the housing field, A.D. Wilson states: "The objective of the legislators of that day was primarily the relief of unemployment; one might say that the federal Government fell into the housing field accidentally in an endeavour to assist the country out of the difficulties of the hungry thirties". See A.D. Wilson, "Canadian Housing Legislation", Canadian Public Administration (Vol.2, 1959), p.219. Similarly, A.E. Grauer, charged with preparing a report on housing for a 1939 federal Royal Commission, wrote: "In Canada, until the Dominion legislation of 1938, government tended to approach the problem of housing as an adjunct to

or (and this view has been arrived at with more difficulty) providing help to those households whose means are insufficient to permit them to obtain adequate and suitable shelter in the private market.[3]

The development of Canadian social housing programs bears witness to this attitude. While the affordable housing problem was apparent as early as the turn of the century, it was not until the Depression years of the 1930's that it was widely discussed and debated in housing and government circles. Successive Canadian governments viewed with ambivalence, if not active hostility, suggestions that they intervene in the housing market in the public interest to resolve the chronic low-rental housing crisis. Finally, in the face of continued documentation of the affordable housing problem and protracted advocacy for action, government was moved to intervene in the rental market, beginning in 1938. In succeeding years it did so, however, in a piecemeal fashion, rationalizing its actions either as a response to an emergency circumstance such as wartime or as a measure to regulate the economy and generate employment. Indeed, the subtitle of the 1944 National Housing Act (NHA) read:

> An Act to Promote the Construction of New Houses, the Repair and Modernization of Existing Houses, the Improvement of Housing and Living Conditions and the Expansion of Employment in the Post-War Period.[4]

Moreover, these government forays into the housing market were largely designed to support the private market and challenged neither the principle of housing as a commodity nor the myth of market efficiency. A series of measures after 1938, aimed at encouraging the private

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the problem of unemployment rather than on its own merits." See A. E. Grauer, Housing: A Study Prepared for the Royal Commission on Dominion-Provincial Relations (Ottawa: King's Printer, 1939), p.60.

3 In 1956, the Minister responsible for housing stated: "It was the government's view, which I have stated publicly on a number of occasions, that we would be justified in using public funds for housing only where private enterprise fails to meet the need." From a letter from the Minister to the President of CMHC, as cited in Dennis and Fish, Programs in Search of a Policy, p. 173. The federal Government has recently confirmed this view, stating as the purpose of its social housing programs: "To assist Canadians whose income is insufficient to gain access to adequate housing by encouraging and supporting... the provision of low and moderate income public housing and by encouraging the establishment of non-profit and co-operative housing corporations." Canada Mortgage and Housing Corporation, Social Housing Review (Ottawa: CMHC, Program Evaluation Division, 1984), Executive Summary.

4 Statutes of Canada, The National Housing Act, 1944, 8 and 9 George VI, Ch. 46.

rental sector to build low-rental housing, and ranging from low interest loans and tax incentives to grants and government insurance on private lender loans failed, however, to make a significant dent on the problem. By the 1960's, it was a fairly widely accepted fact outside government that the profit-oriented motives of the private development sector were incompatible with the construction of good quality housing affordable to lower income households.

The first public housing program was introduced by the federal Government in 1949 in response to the effects of rapid urbanization after the war and the exacerbation of the already serious urban housing problem by the return of Canada's war veterans.[5] The program was underused due to the ill-defined and cumbersome relationships among the different levels of government involved, public indifference and in some cases opposition, and the federal Government's failure to actively promote the program. By 1964, only twelve thousand public housing units had been constructed.[6] It was not until 1964, when it amended the NHA and introduced a federally-delivered public housing program, that the federal Government took decided action on the affordable housing problem. The new provisions were more widely used and today there are in Canada 253,000 public housing units, occupied by low-income households paying a rent geared to their income.[7] The weak federal commitment to dealing with the affordable housing problem is underscored, however, by the fact that, despite the public housing boom of the late 1960's and early 1970's, public housing currently represents less than 3 per cent of total Canadian housing stock.[8]

While the 1964 public housing program was taken up rapidly, other 1964 provisions, which for the first time extended financial assistance to private non-profit organizations willing to construct low-rental housing, were not widely used. Largely as a result of program underfunding, between 1964 and 1973 only eighteen thousand non-profit units were

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5 The program followed the development of Canada's first public housing project by the municipality of Toronto in 1947.

6 Canada Mortgage and Housing Corporation, Canadian Housing Statistics, Table 42: 1956; Table 38: 1957; Table 37: 1961; Table 34: 1964 (Ottawa: Supply and Services, 1957, 1961 and 1964).

7 Canada Mortgage and Housing Corporation, 1986 Annual Report (Ottawa: Supply and Services, 1986), p.1.

8 Based on a total housing stock of 8,756,675 units. See Canada Mortgage and Housing Corporation, Canadian Housing Statistics, 1986, Table 103.

constructed.[9] The turning point for the non-profit sector came in the early 1970's, when, responding to growing public opposition to urban renewal schemes and dissatisfaction with large scale public housing projects, the federal Government decided to scale back the public housing program and turn to non-profit developers to house lower income households in socially mixed projects. Amendments to the NHA in 1973 marked the real birth of the non-profit and co-operative housing sectors in Canada.

It may seem surprising that the non-profit co-operative alternative had not been tried before 1973. In fact, housing reformers had been pressuring for almost thirty years for the development of a co-operative housing sector to address the needs of low and moderate-income Canadians. In 1944 the Curtis Committee Report on Post-war Reconstruction recommended changes to the NHA to facilitate a major co-operative housing initiative. The Curtis recommendations were repeated in a housing report commissioned by the federal Government in 1964 and again in 1969 by the federal Task Force on Housing and Urban Development.[10] Advocates of co-operative housing were hampered in their efforts, however, by two major factors. The first was long-standing public indifference and, on the part of government and the private development industry, hostility toward the concept of co-operative housing. Non-profit, collectively owned housing was alien to a largely non-urbanized society steeped in the strong tradition of private home ownership that naturally accompanied a plentiful land supply. This philosophical objection to co-operative housing is neatly summed up in the following statement made in 1963 by an adviser to Central Mortgage and Housing Corporation (CMHC, now Canada Mortgage and Housing Corporation), the federal housing agency:

> Perhaps the strongest claim for a preferential attitude towards co-operatives springs from an evangelical point of view associated with the co-operative movement. The co-operative movement is based on a genuine and admirable socialist view that people should be able to conduct their own affairs for their own well-being, without the element of private profit and without being prejudiced by outside economic interest.... To live in a city neighbourhood happily and successfully, people find that they must maintain a polite but somewhat withdrawn "arm's length" relationship with neighbours. These harmonious relationships can be easily upset when issues of quite a different kind are introduced. Home is a very private thing and anything to do with one's own private affairs is best kept independent and separate from the friendly contact with neighbours.... I can't think of anything more likely to

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9 Canada Mortgage and Housing Corporation, Canadian Housing Statistics, 1978, Table 58.

10 See Dennis and Fish, Programs in Search of a Policy, p. 248.

> jeopardize this kind of stability of family life than becoming involved in a venture of co-operative housing.[11]

In the eyes of government, community based organizations were high risk mortgagors and, because of the considerable time and effort required to organize people, a less than efficient means of maximizing housing starts. Moreover, a diversion of building resources to the production of multi-family dwellings was seen as a threat to the production of single family dwellings for private home ownership.[12] Similarly, the private development industry, which was responsible for the development of almost all housing in Canada prior to 1973,[13] viewed co-operative housing as a threat that would undermine the market and divert government housing funds from the private sector. As for the general public, most Canadians were ignorant of co-operative housing and so could not serve as a base of popular support for co-operative advocates. Given the widespread ignorance and misunderstanding of co-operative housing, government support in the form of enabling legislation and financing was not forthcoming. In fact, for many years co-operatives were denied access completely to NHA mortgages. Without mortgage financing, the development of continuing housing co-operatives was impossible.

The second major factor that hampered the development of a co-operative housing movement in Canada was the lack of an effective technical delivery capability. Technical resource organizations were imperative if developing co-operatives were to be adequately assisted with membership recruitment and education, and the construction and development of actual projects. Perhaps too, the presence of a strong network of resource organizations would have conferred upon the new sector a legitimacy that could have made the search for funding less arduous. Until the late 1960's, however, those knowledgeable about co-operative housing worked in relative isolation from each other.

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11 Central Mortgage Housing Corporation, Memorandum dated October 11, 1963, cited in Dennis and Fish, Ibid., p.250.

12 Ironically, there were those in government circles who viewed co-operative housing as a variation on home ownership, but who withheld support on the basis that it was inconsistent to offer co-operative owners loans and preferred lending rates that were denied to other home owners.

13 Prior to 1965, the private market was responsible for 99 per cent of all housing starts in Canada. Between 1965 and 1980, the percentage fell slightly to between 90 and 95 per cent. See Rod Manchee and Glenn Drover, Mutual Housing: An Alternative to Homeownership, Publication 5 (Ottawa: Canadian Centre for Policy Alternatives, 1981), p.3.

Despite these impediments, Canada did see some early co-operative housing activity. In fact, housing co-operatives were organized as early as the 1930's, as a reaction to the economic difficulties of the Great Depression. At that time, a group of unemployed Nova Scotia miners with limited financial resources banded together to purchase materials in bulk and co-operatively build affordable homes for themselves. They were inspired and assisted by adult educators from th Extension Department of St. Francis Xavier University, who used study group techniques to encourage the development of co-operatives as a solution to local problems. The miners received a provincial government loan for 75 per cent of the cost of the houses and building lots and contributed the remaining 25 per cent in cash or labour or both. Once construction was completed, these "sweat equity" or "building" co-operatives were dissolved and each member assumed private ownership of an individual unit. The concept was innovative and appropriate to the housing needs of families in small communities, where prices for land and materials made individual home ownership feasible. With the return of the war veterans in the mid-1940's and resulting exacerbation of the housing problem, the idea spread rapidly throughout the Atlantic provinces, Ontario and Quebec, resulting in the construction of more than twenty thousand such co-operative home ownership units.[14]

In a parallel development, students began to organize housing co-operatives: not building co-operatives, as the miners had, but "continuing" co-operatives, in which the members jointly owned the entire project on a continuing basis. The first such continuing co-operative was formed at the University of Toronto in 1934, but it did not spark a widespread phenomenon.

As Canada urbanized during the 1950's and 1960's, the building co-operative concept became increasingly impracticable. High land costs, the resulting shift from development of detached, single family dwellings to multiple-unit housing, high employment levels, greater municipal servicing requirements, the use of more complex building technologies and the growing complexity of development approval procedures all combined to render the co-operative construction of individually owned dwellings extremely difficult. Recognizing the need for an effective new means of providing affordable housing in urban areas and inspired by the continuing co-operative model of Europe and the United States, the Co-operative Union of Canada (CUC) began, in the early 1960's, to study the possibility of adapting the model to Canada. A 1962 report commissioned by the CUC strongly recommended federal legislation and

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14 Patrick M. Trehearne, Co-operative Housing and Community Development in New Resource Towns: A Conceptual Basis and Approach (Calgary: University of Calgary, Unpublished Masters of Environmental Studies Thesis, 1983), p.67.

financial support for continuing housing co-operatives in Canada. Although ignored by the Government, the report inspired the CUC to unite the efforts of the co-operative sector, the labour movement and student organizations and to hire a national organizer for co-operative housing. Through the National Labour Co-operative Committee (NLCC), a joint CUC-labour venture, a limited co-operative housing initiative was undertaken.

In the meantime, ten individuals, five co-operative organizations and a trade union joined forces in 1960 to incorporate the Co-operative Housing Association of Manitoba (CHAM) in order to promote and construct continuing housing co-operatives. Traditional lenders and CMHC shied from support for CHAM's aims and it was an uphill battle for the fledgling co-operative housing movement. Five years elapsed between the founding of CHAM and the completion of its first project, and Canada's first continuing housing co-operative for families, Willow Park. In the end, the Co-operative Credit Society financed the project, with the City of Winnipeg supplying the land on a long-term lease and CMHC offering technical advice and some funding.

Willow Park attracted considerable attention in co-operative circles, as did the growing number of student-sponsored housing co-operatives (the federal Government began financing student co-operatives in 1966 as part of its student housing program). The Winnipeg inspiration spread west to British Columbia and east to Ontario, where continuing co-operatives were sponsored by a credit union and a labour union, respectively. Construction of the two co-operatives began in 1969 in the absence of supportive legislation and public financial aid. The movement was beginning to grow, but on a project-by-project basis.

With the success of Willow Park and the interest in continuing co-operatives it sparked, it became evident that a specialized organization, with more time and resources to devote to co-operative housing promotion than the NLCC enjoyed, was necessary. With some financial assistance from CMHC, in 1968 the CUC, the Canadian Labour Congress (CLC) and the Canadian Union of Students (CUS) jointly founded the Co-operative Housing Foundation of Canada (CHF). The United Church of Canada and the Canadian Catholic Conference soon added their support to this initiative. The mandate of the new organization was to promote the development of continuing housing co-operatives and to provide organizational, technical and administrative services to emerging and, eventually, existing housing co-operatives. One of CHF's first acts was to present a brief to the federal Task Force on Housing and Urban Development in 1968, in which it argued for federal legislation and financing for non-profit, continuing housing co-operatives.

In 1970, the federal Government announced the creation of a two hundred million dollar loan fund to stimulate interest in innovative ways to provide affordable housing. CHF was able to negotiate thirty million dollars at an interest rate two percentage points below market for five pilot continuing co-operative projects.[15] The thirty million dollars provided the first real opportunity for co-operative groups to demonstrate the viability of their concept and gain credibility as housing developers. As monthly charges were to be established at a breakeven level, the projects were to be directed to moderate-income households whose incomes rendered them ineligible for public housing but also denied them access to home ownership. Despite the program's intended focus on moderate-income households, however, the pilot projects were able to negotiate a number of innovations to expand their membership base, which later become standard features of the Canadian program. De Cosmos Village Co-operative in Vancouver, for example, requested and was granted access to a government financed rent supplement plan. This enabled it to include among its members low-income households who would pay housing charges geared to their income. The pilot projects were also authorized to implement a system of rent surcharges. The plan required households whose incomes rose above moderate levels to pay a surcharge, which was rolled back into a subsidy fund for low-income members of the co-operative. Although this scheme was later abandoned when more effective government financed rent supplement schemes became generally available to co-operatives, it signalled the commitment by the Canadian movement to housing low-income people.

The success of the pilot projects was a tremendous boost to the advocates of continuing co-operatives. Fortunately for the movement, the thirty million dollar trial was also perfectly timed with the emergence of a number of other factors favourable to the development of a new form of tenure. These included the generally expansive mood of the late 1960's and early 1970's; a growing interest in community control of neighbourhoods; an acknowledgement of the virtues of income mixing after the experience with 100 per cent low-income housing projects

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15 At the same time as the five pilot co-operatives were being developed, a large number of units were built by the Federation of Housing Co-operatives of Quebec under a special program of the Quebec Housing Corporation. The Federation's initial intention was to turn over the projects after completion to local co-operatives composed of residents. This never happened; shortly after launching its ambitious development program, the Federation ran into serious financial problems. It was wound up before any projects were transferred.

under the public housing program;[16] public protests against urban redevelopment; rising house prices and rents; and the abysmal failure of a federal program of the late 1960's and early 1970's that subsidized private sector rental developments for low and moderate-income families.

In June 1973, the NHA was amended and a program introduced under which non-profit and co-operative groups could obtain 10 per cent capital grants and 90 per cent mortgage loans repayable over fifty years. Co-operative and non-profit groups were also eligible for limited start-up grants and loans, and grants to facilitate the rehabilitation of existing housing. In addition, where the provinces co-operated, rent supplements for low-income members were made available in conjunction with the program. The long sought-after amendments overcame the major obstacles to the development of non-profit co-operative housing that had existed until then, chief among them the need to raise substantial amounts of equity from members. The movement's first growth spurt was the result. Over the next four years, approximately 240 continuing co-operatives representing ten thousand housing units were developed across the country.[17]

As the movement grew, the five original sponsoring organizations and existing co-operatives agreed that CHF must come to be controlled by the new movement. The formal transition to the current democratic structure took place in 1978.

In 1979, co-operative housing development received another boost with the introduction of a new, unilateral federal funding program. Under the new provisions, mortgage loans for 100

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16 "The big housing projects, in the view of the Task Force, have become ghettos of the poor. They do have too many problem families without adequate social services and too many children without adequate recreational facilities. There is a serious lack of privacy and an equally serious lack of pride which leads only to physical degeneration of the premises themselves. The common rent-geared-to-income formulas do breed disincentive and a "what's the use" attitude toward self and income improvement. There is a social stigma attached to life in a public housing project which touches its inhabitants in many aspects of their daily lives. If it leads to bitterness and alienation among parents, it creates puzzlement and resentment among their children.... Mr. Goldfarb's interviews with public housing tenants confirmed that these people do believe they face a range of negative stigmas in dealing with the community around them. He, too, found a lack of community spirit and individual self-discipline. He suggested that the problems of living in public housing were akin to those experienced by some Indians who are on reserves." Canada, Task Force on Housing and Urban Development, Report of the Federal Task Force on Housing and Urban Development (Ottawa: Queen's Printer, 1969), pp. 53-54.

17 Co-operative Housing Foundation of Canada, From the Rooftops (Ottawa: CHF, September 1978), Special Supplement.

per cent of capital costs, obtained from private lenders and insured by CMHC under the NHA, replaced direct government loans. The loans were contracted at market interest rates with amortization periods of up to thirty-five years. Co-operatives received an operating grant from CMHC to bridge the gap between monthly amortization and operating costs and "low end of market" rents. In addition, they were provided with a pool of income-tested assistance, which enabled them to charge geared-to-income rents to their low and moderate-income members. The new provisions were readily utilized and between 1979 and 1985, approximately 34,000 additional co-operative units in nine hundred projects were developed.[18]

Not long after the 1979 program was introduced interest rates rose sharply, reaching more than 20 per cent at their peak, and, because the program involved an interest rate write-down, costs soared. At the same time, the federal Government reformulated its social housing policy to reflect the aim of directing housing subsidies exclusively to the poor. In 1983 the non-profit and co-operative housing programs came under attack for being too costly and for targeting subsidy dollars to moderate and middle-income households, now considered undeserving of assistance.[19] At the end of 1985, the programs were terminated. The non-profit program was replaced with a new program cost-shared with the provinces in which federal aid is targeted exclusively to so called "core needy" low-income households. (In Ontario mixed-income projects continue to be developed, with the Province paying the full subsidy for units not occupied by core needy households.) A new unilateral federal program, based on an index-linked mortgage (ILM) instrument researched and adapted for Canadian use by CHF, has replaced the former co-operative housing program. The ILM Program features NHA insured loans, with thirty year terms and payments indexed annually at a rate 2 percentage points below the change in the national Consumer Price Index. Rent supplements are available for an average of 30 per cent of the units developed where occupants meet income guidelines set by CMHC. The first three thousand units financed under the ILM Program were committed in late 1986.

After twenty years of development, the co-operative housing movement still represents only a very small fraction of the total Canadian housing market. Today there are an estimated

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18 Calculations from Co-operative Housing Foundation of Canada, From the Rooftops, various issues and Canada Mortgage and Housing Corporation, Canadian Housing Statistics, various years.

19 See Canada Mortgage and Housing Corporation, Section 56.1 Non-Profit and Co-operative Housing Program Evaluation (Ottawa: CMHC, Program Evaluation Division, 1983).

51,700 units of co-operative housing in more than 1,350 projects.[20] During its peak growth period from 1981 to 1983, the movement grew at an average of six thousand units per year[21] and represented 4 per cent of annual residential construction starts.[22] Yet in 1987 co-operative housing represents only .6 per cent of the total Canadian housing stock of almost nine million units and 1.6 per cent of rental housing stock.[23] At 9.5 per cent, it accounts for a more significant proportion of the total stock of 543,300 publicly and privately owned rent-geared-to-income and non-profit dwelling units.[24]

Yet the potential for future growth is significant. Looked at in a global context, Canadian housing standards are exceptionally high. In 1981, the most recent year for which Census data are available, Canada's 8,281,540 households had 8,756,675 housing units available to them.[25] Moreover, in 1981 only 2.6 per cent of Canadian households were living in overcrowded conditions,[26] and in 1985 only 12.5 per cent of all households lived in dwellings requiring major repairs.[27] Nonetheless, a significant minority of Canadians face serious and persistent housing problems. With more than 18 per cent of Canadian households, including 23 per cent of renters and 19.5 per cent of home owners with mortgages, paying in excess of 30 per cent

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20 These figures include occupied units and those currently under construction. Co-operative Housing Foundation, Directory of Housing Co-operatives (Ottawa: CHF, November 1987), Statistical Summary. The figures cited for 1973-1978, 1979-1985 and 1986 do not add up to the 1987 total. This is because a number of co-operative housing units, of which CHF had previously been unaware, were produced in Quebec over the years. The 1987 figures include these heretofore "lost" units.

21 Co-operative Housing Foundation of Canada calculations.

22 Calculated from 1981, 1982, and 1983 figures in Canada Mortgage and Housing Corporation, Canadian Housing Statistics, 1986, Table 1.

23 Calculations based on a total houisng stock figure of 8,756,675 dwellings and a renter household percentage of 37.4. See Canada Mortgage and Housing Corporation, Ibid., Table 103, and Statistics Canada, Canada at a Glance, 1987 (Ottawa: Statistics Canada, 1987).

24 See Canada Mortgage and Housing Corporation, 1986 Annual Report, p.1.

25 See Table 103, Canada Mortgage and Housing Corporation, Canadian Housing Statistics, 1986.

26 Overcrowding is defined as more than one person per room. Calculated from figures in Tables 100 and 103, Canada Mortgage and Housing Corporation, Ibid.

27 Major repairs are defined as repairs to defective plumbing and electrical wiring and structural repairs to walls, floors, ceilings, etc. Statistics Canada, Household Facilities by Income and Other Characteristics, Catalogue 13-567 Occasional (Ottawa: Supply and Services, 1985), Table 11.

of their total before-tax income for suitable and adequate shelter in 1982,[28] there is a critical lack of affordable accommodation. In addition, persistently low vacancy rates have become the norm in the rental market in many Canadian cities and very little housing has been developed for people with physical disabilities or other special needs. Policies of deinstitutionalization in the past fifteen years have exacerbated the latter problem: with the phasing out of long-term residential care facilities, growing numbers of people are being discharged into the community with no place to live. The housing crisis extends to the middle class as well. In several major urban centres, house prices have risen faster than incomes for some time, with the result that the proportion of renters is growing.[29]

The situation in Metropolitan Toronto, where 59 per cent of households do not own their own home, is especially critical. Between May 1986 and May 1987, house prices in that city rose an average of 41.4 per cent.[30] In May 1987 the average resale price reported in the Toronto Star for a house in Metropolitan Toronto was $208,107 and the median price $178,375. The average annual renter income in Metropolitan Toronto, however, is just over $29,000,[31] well below the level at which home ownership is affordable, according to any standard method of calculation. Given the generally lower incomes of tenants compared to home owners[32] and the large proportion of renters drawn from the lowest two income quintiles,[33] it is reasonable to say that, other than Native Canadians living on reserves, renters, who in 1987 comprise 37.4

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28 Canada, Consultation Paper on Housing (Ottawa: January, 1985), p.16, Appendix I.

29 Toronto's renter population increased from 38 per cent in 1951 to 59 per cent in 1981; Vancouver's from 37 per cent to 55 per cent; Calgary's from 41 per cent to 43 per cent; Edmonton's from 39 per cent to 50 per cent; Hamilton's from 35 per cent to 44 per cent; Ottawa's from 57 per cent to 61 per cent; Halifax's from 53 per cent to 60 per cent. See Canada, Census of Canada, various years.

30 "Inflation Reaches 3-Year High in May", The Globe and Mail, June 20, 1987, p.B6.

31 According to City of Toronto Planning Department estimates, the average annual tenant income in Metropolitan Toronto in 1986 was $29,265. A 1987 report by the Social Planning Council of Metropolitan Toronto cities 1987 median annual renter incomes of $26,250 and $30,600 for three and four person households respectively. See Social Planning Council of Metropolitan Toronto, Housing Affordability in Metropolitan Toronto, 1987, Social Information Package, Vol. 6 (3) (Toronto: Social Planning Council of Metropolitan Toronto, July 1987).

32 In 1985, renter incomes averaged 58 per cent lower than home owner incomes. Calculated from figures in Statistics Canada, Household Facilities by Income, 1985, Table 1.0.

33 In 1981, 57 per cent of renters were drawn from the lowest two income quintiles. See J.D. Hulchanski, "Tax Costs of Housing", Policy Options, June 1985, p.6.

per cent of Canadian households,[34] face the most serious housing problems in Canada today.

Against these conditions, the effective demand for co-operative housing is very strong.

3. The Canadian Co-operative Housing Model and the Structure and Organization of the Movement

Combining features of both rental and owner-occupied housing, co-operative housing in Canada is an alternative tenure form. A non-profit, continuing housing co-operative is a legal association formed for the purpose of providing its members with housing. The members lease their individual dwelling units at cost from the co-operative corporation, which retains permanent ownership of the housing. Members enjoy the right to occupy their units as long as they observe the by-laws of the co-operative, which they have an equal voice in setting. The financial advantage obtained is limited to the difference between the monthly charge members pay to the co-operative and the amount they would have to pay to rent investor-owned accommodation of similar quality in a comparable location. Other than making a small share purchase or other capital contribution on moving in, individual members do not invest equity in the project and they cannot transfer their shares or occupancy rights on the market. Members wishing to leave must surrender their unit to the co-operative, which is responsible for selecting the replacement member. Vacating members are entitled only to the return of their original share purchase or other capital contribution. On dissolution, any net assets of the co-operative must be distributed to a non-profit organization or charity operating solely within Canada.

Control of the co-operative corporation rests with the residents of the project. This is achieved by restricting membership to residents after construction and requiring a majority of households -- usually 100 per cent -- to hold membership in the co-operative. Each member is entitled to attend and cast one vote at general meetings of members. (Attendance is compulsory in some co-operatives). The members elect a board of directors to supervise the management of the co-operative, which in turn might hire a manager and other paid staff to carry out the day-to-day administration and upkeep of the property. Alternatively, the co-operative might contract out management to a property management firm, although this is not a common practice outside British Columbia. In either case, volunteer committees are formed to assist the board and management in running the co-operative. Smaller co-operatives often

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34 See Statistics Canada, Canada at a Glance, 1987.

opt for completely volunteer management. Whatever the management model, however, great importance is attached in Canadian co-operatives to participation by the members. In many cases this extends not only to the operation of the housing project after it is built but to its initial design and development.

Local control is further enhanced by the practice of organizing a separate co-operative for each property to be developed. The only exceptions are co-operatives developed in several phases (usually the phases are in close physical proximity) and "scattered unit co-operatives", neighbourhood based organizations that purchase and rehabilitate single unit or small multiple-unit properties in a defined geographic area and then operate them as one co-operative. (Apart from the unsuccessful ventures of the Quebec Federation of Housing Co-operatives in the early 1970's, the mother-daughter co-operative model is unfamiliar to Canadians.) As a result of this development model and the fact that in built-up urban areas large tracts of land are not available, Canadian co-operatives tend to be small, ranging in size from 10 to 200 units. There are only a handful of co-operatives larger than this, with the largest being 380 units.

Canadian housing co-operatives have taken a variety of physical forms. Semi-detached and even detached houses can be found in small towns and rural areas, while in urban centres, multiple-unit housing is the norm. Stacked and row townhouses, duplexes, triplexes, and walk-up and high-rise apartments are all typical, although for families grade-related housing is preferred. Co-operatives are as much a phenomenon of the suburbs as the inner cities, with the availability of affordable land being the chief determinant of location. A shortage of affordable accommodation in most centres has resulted in a preponderance of new buildings. There are many examples, however, of co-operatives acquiring and improving existing residential buildings, particularly in Quebec and other areas of Eastern Canada where the housing stock is old, and either vacancy rates high or redevelopment pressures strong. In addition, a number of co-operatives have successfully converted non-residential buildings, such as surplus schools and former religious facilities, into apartment houses.

The lack of economic viability of new rental housing development in most Canadian cities during the past twenty years has resulted in all but a handful of Canadian housing co-operatives needing some form of government financial assistance. In addition to capital or operating subsidies, co-operatives have received subsidies enabling them to charge their low-

income members a fixed proportion of their income, usually 25 or 30 per cent. The percentage of households so assisted ranges from 15 per cent at the low end, the minimum requirement under the current federal Government financing program, to 100 per cent in some cases. There is a general, but not unanimous, feeling in the Canadian movement that the optimum level is between 30 and 50 per cent, depending on the income profile of the local community and the affordability of the co-operative's full monthly charges. Because of the variety of sources of rent-geared-to-income assistance, including voluntary subsidy/surcharge schemes in some co-operatives, there are no reliable figures on the average proportion of assisted households in Canadian housing co-operatives. Estimates range from 35 to 42 per cent.[35] Households paying a charge geared-to-income range from those living on public welfare and the working poor, to moderate-income households who need only shallow subsides. In major urban centres outside Quebec where market rents are extremely high and accommodation scarce, co-operative households with annual incomes as high as forty-five thousand dollars may need assistance with their monthly charge. Moderate and middle-income households who do not need assistance with their rent but nonetheless cannot afford to buy a home also figure highly in co-operative memberships. Housing co-operatives offer modest housing by Canadian standards, with no potential for individual equity accumulation or capital gain; people usually move out when they can afford to buy a house of their own. There are no income ceilings, however, and some more affluent people choose to stay in their co-operative because they are strongly committed to living in a co-operative environment. These people are often valuable members, contributing volunteer time and leadership skills to the community.

Canadian housing co-operatives conform closely to the co-operative principles formulated by the International Co-operative Alliance:

1. **Open and Voluntary Membership.** Membership is available without artificial restriction or discrimination to all people who can make use of the co-operative's services and are willing to accept the responsibilities of membership. This principle is the source of several features of Canadian co-operatives, including: an emphasis on enabling low-income households to join, coexistent with an absence of arbitrary upper income limits; broad anti-discrimination policies that often go beyond current human rights legislation; a membership mix in individual projects that reflects the social diversity of the community

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35 Co-operative Housing Foundation of Canada, Positive Findings From the 56.1 Evaluation, Working Paper 10 (Ottawa: CHF, 1983), p.1.

at large, including the full range of household forms and people from a variety of social, cultural and economic backgrounds; and a member selection process that places a strong emphasis on ensuring that members understand and will perform their obligations.

2. **Democratic Control.** Members of housing co-operatives enjoy equal rights of voting--one member, one vote -- and participation in decisions affecting the co-operative. Directors are elected from among the members and can be recalled if they lose the confidence of the membership. Through democratic processes, individual members share responsibility for problem solving and exercise influence over the way the co-operative community is governed.

3. **Limited Return on Investment.** Membership entitles a person only to the use of a co-operative's services, not to a financial return on investment. Shares are purchased and redeemed at par value, limited or no interest is paid on members' capital contributions, and occupancy rights cannot be traded on the market.

4. **Not-for-Profit Operation.** Monthly charges to members are set at a level estimated to be sufficient to meet the cost of operating the project and retiring the mortgage and to provide reserves for future capital replacements. Any surpluses arising out of the operation of the co-operative are retained to meet future costs or used to expand or improve the co-operative's facilities. Although not prohibited, patronage rebates are not usual.

5. **Continuing Education.** Since its inception, the Canadian co-operative housing movement has placed great importance on educating staff and volunteers in the principles and techniques of co-operation. Considerable resources are devoted to membership development during the development phase and comprehensive volunteer training programs exist to meet the needs of occupied co-operatives. In recent years, the movement has turned its attention to the professional development needs of employees.

6. **Co-operation Among Co-operatives.** Despite the legal and financial autonomy of individual housing co-operatives and the emphasis on self-management, a strong network of secondary and third-level associations exists in Canada. CHF, the national body of non-profit housing co-operatives, has existed since the early days of the continuing co-operative housing movement in Canada. The past thirteen years have seen the development of eighteen local and regional federations of housing co-operatives. Housing

co-operatives have also established strong links with the rest of the co-operative movement, particularly the credit union, mortgage lending and insurance sectors, which offer services of benefit to housing co-operatives.

The rapid growth of the co-operative housing movement in Canada since 1973 is accounted for largely by the availability of effective financing programs and the difficult market conditions facing all but high-income housing consumers. Of equal importance, however, has been the existence of a network of community based co-operative housing development organizations, known as resource groups. The development of a multiple-unit, multi-million dollar housing project is a complex, difficult task that can take several years to complete. Very early on, movement activists recognized the need to create specialized technical resource centres that would assist inexperienced volunteers in the development of their projects and encourage them through the extended development process. With some assistance from government, which has provided start-up grants to community based resource groups, this has been accomplished. There are now over sixty resource groups in Canada, including thirty in the province of Quebec.

Each resource group is a legally autonomous organization, varying in size from two to twenty staff. In a review of the current status of the Canadian co-operative housing movement, Mark Goldblatt, Executive Director of CHF, has described four distinct styles of resource group organization:

- non-profit company with a volunteer board of directors drawn from the community;
- staff-owned company where the board of directors is made up of employees;
- subsidiary venture of another non-profit organization, such as a local trade union council or community service agency;
- company owned by the housing co-operatives in the local area; these organizations usually provide services to occupied co-operatives as well.[36]

While housing co-operatives are occasionally developed without the assistance of resource groups, this is no longer a common practice. The great majority of developing co-operatives enter into a development contract with a resource group, paying a fee for service that is capitalized with other development costs and funded through the mortgage loan.

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36 Mark Goldblatt, Building a Canadian Not-for-Profit Co-operative Housing Sector: A Progress Report, forthcoming.

The services provided by resource groups fall into two broad categories. Property development services include: locating and negotiating the acquisition of a site or property, retaining and directing design services, obtaining government development approvals and permits, tendering and negotiating construction contracts, obtaining and administering loans, supervising construction activities, accounting for receipts and expenditures, controlling the project budget and schedule, and reporting to the funding agency on completion. Membership development activities, which account for from 33 to 50 per cent of the resource group's fee, include: organizing the co-operative corporation, developing by-laws and occupancy agreements, recruiting members and co-ordinating move-ins, training members in all aspects of co-operative organization and management, recruiting and training staff where applicable, and planning and implementing property management systems. These "soft" services have been found to be essential to the successful ongoing operation of a co-operative and are not considered optional.

Increasingly, both CHF and the local and regional federations of housing co-operatives are playing an important role in supporting the effective continuing operation of co-operatives. With a few exceptions, the secondary sector organizations do not provide property management services. Instead, they have taken on the role of training successive generations of co-operative members in order to facilitate independent management of projects. Education activities include courses for employees and members of housing co-operatives, training programs for instructors, and the development and publication of training guides and resource materials. In addition, sector organizations provide a vehicle for information sharing and mutual support among co-operatives, as well as joint political action on issues affecting the development and operation of the sector. Membership in second and third level sector organizations is entirely voluntary.

4. Co-operative Housing as a Vehicle for Multi-Faceted Problem Resolution

A variety of social and economic benefits arising from the non-profit co-operative housing movement in Canada can be identified.

Affordable Housing for Low and Moderate-Income Households

Non-profit co-operative housing has addressed the housing affordability problem in a number of ways. First, because of their non-profit character, co-operative units tend to be more

affordable over time than comparable housing in the investor-owned rental sector. The financial assistance formula under the former co-operative housing program enhanced this benefit: initial housing charges were set to equal rents in the lower range of the uncontrolled private market, making co-operatives more affordable than other newly constructed buildings. Under the program, housing charges rose afterwards only to cover increases in operating costs and, beginning in the fourth year, a planned gradual reduction in federal assistance. As a result, in tight rental markets co-operative housing charges tended to lag significantly behind rent levels in the private market after several years. Indeed, a 1983 CMHC evaluation of the program confirmed the relative affordability of co-operative units in reporting that 54 per cent of co-operative members had incomes below the average annual income of renter households in Canada.[37] As the majority of co-operative units now existing in Canada were produced under that program and will continue to operate under its terms, these affordable units will remain available to low and moderate-income households on a long-term basis. Under the new ILM Program, housing charges are set in year one at what the market will bear and are, therefore, higher than under the previous program. Members continue to be insulated from increases related to the profit motive, however, and over time housing charges should fall below market.

The affordability of housing co-operatives is further enhanced by a built-in incentive to control project operating costs; reduced operating costs are reflected in lower monthly charges to the members. By contrast, in public housing projects, where all rents are geared to income and rise and fall only in accordance with income changes, tenants are impervious to increases in project operating costs. Furthermore, co-operative units contribute to a permanent stock of affordable housing because they are never resold or refinanced to extract the appreciated value for the owner. Although there may be only a slight difference between mortgage payments on a privately owned home and initial housing charges in a co-operative, second generation co-operators fare much better than second generation home owners, who must absorb the cost of the previous owner's capital gain. Indeed, a unit in a non-profit co-operative can serve as a "starter home" for upwardly mobile households, who leave when they have accumulated enough capital to buy a home of their own, freeing up an affordable unit for another lower income household in the process.

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37 Canada Mortgage and Housing Corporation, Section 56.1 Program Evaluation, Table 4.7.

Housing co-operatives contribute further to providing affordable housing when they take advantage of government programs designed to permit a proportion of their units to be occupied by low-income members. It is worth noting that housing co-operatives are often the only access low-income households have to desirable neighbourhoods. Because co-operative housing charges tend to increase more slowly than market rents and co-operatives administer the rent-geared-to-income subsidies on the government's behalf, housing co-operatives have proved an extremely cost-effective vehicle for the provision of low-income units.

Appropriate and Suitable Housing for People with Special Needs

From its initial focus on mixed-income communities composed of low to middle-income households, the co-operative housing movement in Canada has gradually expanded its horizons to include the provision in integrated community environments of housing for people with unique design and support service needs. People with special needs, who have the greatest difficulty finding suitable housing on the private market, are attracted to co-operatives by their affordability and the security of tenure, influence over design and management, and sense of empowerment they offer. The movement has reached a variety of special groups to date, including people with physical, developmental or psychiatric disabilities, single parent families, women in transition, such as battered women and teenaged mothers, Native Canadians and ex-inmates. In addition, immigrant groups, particularly refugees, have used the co-operative housing program to create supportive communities in which they can learn to adapt to new lifestyles while preserving their cultural identity.

To date people with physical disabilities have been the most common special needs group housed through the co-operative housing program. At the movement's initiative, co-operatives obtaining financing under the federal Government program are required to design a minimum of 5 per cent of their units for accessibility by the physically disabled, unless site conditions or the location of support services makes this impracticable. Although figures pertaining to co-operative housing specifically are not yet available, CMHC's 1983 evaluation of the Section 56.1 Program indicated that approximately 17 per cent of the non-profit and co-operative projects constructed under that program contained units designed specifically for the disabled.[38] Some co-operatives, such as Daly in Ottawa and Windward in Toronto, have been designed as completely accessible, allowing members with disabilities to live in any unit in the building and to socialize equally with disabled and non-disabled members. As well, a co-

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38 Ibid., p.226.

operative resource group in Vancouver specializes in housing the disabled and in promoting totally accessible and adaptable co-operative housing projects.

The elderly are also well represented in housing co-operatives. Several co-operatives have been developed exclusively for senior citizens, although the more common way of housing the elderly in co-operatives is to integrate them with a wide range of age groups in mixed projects. In some projects the seniors' units are scattered throughout the co-operative; in others they are situated in clusters slightly removed from the noisier family-oriented units. As members of housing co-operatives, seniors are able to remain in the mainstream of activity and to help operate the co-operative to the extent they wish.

Women, who constitute the majority of both renters and low-income people in Canada, are another highly visible group in the co-operative housing movement. Living in and assuming leadership roles in housing co-operatives enhances women's control over their environment and provides security and stability for women and their families. A 1985 study entitled "Women and Leadership in the Co-operative Housing Sector" found that the majority of residents and committee members in Toronto co-operatives are women,[39] and that women chair 60 per cent of committees and hold 52 per cent of directorships.[40] A series of 1982 studies published by CHF indicated that an average of 20 per cent of co-operative units surveyed in four major urban areas housed single parent family households, most of which were female-led.[41] Organized women's groups have also been active in co-operative housing, either through sponsoring co-operatives for particular female client groups or by arranging with existing co-operatives to provide transitional or permanent housing for battered women and teenaged mothers.

More recently, initiatives have been undertaken to integrate people with psychiatric and developmental disabilities into housing co-operatives, either in self-contained units or in cluster units with some organized support services.

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39 See Co-operative Housing Federation of Toronto, The Circuit, 9 (1), March 1987, p.4.

40 See Co-operative Housing Foundation of Canada, Co-opservations (Ottawa: Spring 1986), p.6.

41 Barry Pinsky, Housing Co-operatives in Peel and Halton: A Survey of Members (Ottawa: CHF, 1982), p.3; and Myra Schiff, Housing Co-operatives in Montreal: A Survey of Members (Ottawa: CHF, 1983), p.4; Housing Co-operatives in Ottawa: A Survey of Members (Ottawa: CHF, 1982), p.4; Housing Co-operatives in Metropolitan Toronto: A Survey of Members (Ottawa: CHF, 1982), p.4.

The Creation of Communities

An important goal of the Canadian co-operative housing movement is the creation of communities which, through shared experiences and problem solving and social interdependence, develop a sense of identity and solidarity among residents. For many in the co-operative housing movement in Canada, the quality of community created is equal in importance to the physical quality of co-operative units. Indeed, communities shape lives, and membership in healthy communities has been credited with countering isolation, apathy and personal and social instability, and with fostering the development of support networks and a sense of individual commitment and responsibility.

Co-operative housing contributes to the creation of communities through the institutionalization of activities that must be undertaken jointly by members. Where users participate in the planning, design and development phases of the project, a vital community is created before the first unit is even under construction.[42] Management of the co-operative after occupancy further strengthens community bonds. Through the process of solving common problems, setting collective goals and accomplishing tasks, members gain a greater awareness and tolerance for the views, needs and lifestyles of others. This is not always an easy process, particularly since the typical new co-operative member will have had little previous experience in democratic decision-making; it is sometimes several years after initial occupancy before the community functions smoothly. Nevertheless, the rewards are significant.

While few studies have been conducted to obtain quantitative data on the community building aspects of Canadian housing co-operatives, a few statistics regarding participation rates in co-operatives may serve to underline the success of the movement in this regard.[43] A 1976/77 survey by CHF found that only five of fifty-one co-operatives responding reported little or no participation by members in planning and design matters.[44] A longitudinal study of one co-

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42 Alexander Laidlaw, Housing You Can Afford (Toronto: Green Tree, 1977), p.182.

43 A 1976 study found that a lack of participation on the part of co-operative members led to a less well-defined community. See H.F. Andrews and H. J. Breslauer, Reflections on the Housing Process: Implications From a Case Study of Co-operative Housing, Research Paper 74 (Toronto: University of Toronto, Centre for Urban and Community Studies, 1976), p.18.

44 Nicholas Van Dyk, Participation in the Development of Co-operative Communities (Ottawa: Carleton University, Unpublished Bachelor of Architecture Research Project, 1978), 2.1.4.

operative published in 1976 found that 25 per cent of the members had served on the board of directors, 67 per cent had attended social functions, 50 per cent had contributed paid or volunteer work and 75 per cent had attended at least one general membership meeting.[45] Moreover, outside of organized meetings and events, 50 per cent of the couples sampled reported visiting regularly with other members of the co-operative and indicated they would seek support from other members in given hypothetical situations.[46]

Enlightening as statistics may be, it is the testimonials of those living in co-operatives that really attest to the extent to which co-operatives achieve their goal of creating communities. In a letter to Canadian co-operative housing pioneer Alexander Laidlaw, a British Columbia co-operator wrote:

> The people living in this villa are of all ages. There are families, single people of all ages, and senior citizens. This makes up a common community and so all participate in the usual kind of life and there is no isolation of any one group. A community centre provides a social gathering place.... The play room and hall facilities for games and other social activities bring the residents together to participate in common interests.... Those coming from a big city background have once again discovered the pioneer spirit of inter-dependence and to their surprise have come to value it highly.... Friendships grow with concern for each other's welfare. Where help is needed, genuinely concerned neighbors are always at hand.[47]

Similarly, in a letter to CHF's newsletter, From the Rooftops, a Calgary co-operative member wrote:

> We've enjoyed watching Sarcee Meadows growing into a community -- not just a collection of housing units but a dynamic group of people interested in acting in the interests of their families and neighbors.[48]

And in a 1986 interview for a co-operative housing newsletter, a member of the Toronto Women's Housing Co-operative commented:

> Although we see ourselves more as a women's community than a housing co-

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45 Andrews and Breslauer, User Satisfaction and Participation, Major Report 6 (Toronto: University of Toronto, Centre for Urban and Community Studies, 1976), pp. 117-124.

46 Ibid., pp. 125 and 130.

47 Laidlaw, Housing You Can Afford, pp. 153-154.

48 Co-operative Housing Foundation of Canada, From the Rooftops, October/November, 1978, p.4.

operative, it is important to remember that it is only co-operative housing that makes our community possible.[49]

Personal Growth and Development

The opportunities that housing co-operatives present for personal growth and development derive largely from the fundamental premise that members work together to help themselves and solve mutual problems. Through participation in their co-operative, members are able to exercise power and to tailor the co-operative to their own needs and circumstances. Consequently, no two co-operatives are exactly alike. Through group management and other exercises in self-help, co-operative members are presented with opportunities to learn to work together and acquire new skills and decision-making abilities. Along with gaining opportunities to improve skills in organizing, communication and handling business affairs, and to discover personal and group strengths, members are challenged to think and feel more intensively about what they share with others and what is important and significant to them as individuals. By taking control of their living environment, co-operative members acquire an enhanced sense of self-sufficiency, self-worth, responsibility, competence and achievement.

While the gains in personal growth that flow from participation in the co-operative are integral to the self-actualization process of all co-operative members, they are especially meaningful to groups who are financially or otherwise disadvantaged, and for whom such opportunities are more scarce. The findings of two separate studies serve to demonstrate that these claims are more than rhetoric. A study of the Prairie Housing Co-operative in Winnipeg, a co-operative committed to integrating units for people with developmental handicaps into a normal community, revealed that most of the members with mental disabilities were active in routine maintenance and were partaking effectively in co-operative decision-making. Six out of nine such members had increased their work and educational involvements since joining the co-operative.[50] Another study found that membership in the Joint Action Co-operative in Regina, a co-operative providing single parents with affordable housing and day care, was pivotal in helping the single parents end their dependence on welfare payments

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49 See Co-operative Housing Federation of Toronto, The Circuit, 9(1), March 1987, p.6.

50 Bruce Kappel, The Prairie Housing Co-operative: A Case Study of a Co-operative, A Community and a Cultural Event (1982-1985) (Downsview, Ontario: National Institute on Mental Retardation, 1985), pp.15-16.

and move on into work or educational settings.[51]

A co-operative member in Toronto who uses a wheelchair, however, provides the most eloquent testimony to the empowering influence of co-operatives in the following letter:

> After five years of having to put up with almost inaccessible housing, I finally found a place in which I can use my abilities. Coming into a co-operative was, however, the real bonus. In most instances, I have found friends and neighbours expressing an attitude of understanding, rather than pity. Encouragement, help and respect, rather than protection and condescension. Interest and co-operation rather than mere tolerance. I have, in Woodsworth, people who trust in me as a full-fledged member -- a human being who can contribute to the health of our community. I feel that my abilities, rather than my disabilities, are the focus of my being here.[52]

Benefits to the Community-at-Large

The sense of responsibility spawned by co-operative ownership inspires in members an interest in society and civic affairs. Having tasted of the fruit of self-accomplishment at the individual and group level, members are spurred on to tackle larger community problems. Moreover, individuals already organized in a housing co-operative have a ready-made base from which to commence community activity and the non-profit bias of co-operatives is directly compatible with social motives and public service. An employee at a co-operative housing resource group in Calgary noted considerable carry-over from participation of members in Sarcee Meadows Co-operative to voluntary work and involvement in the larger community.[53] A member of that co-operative describes the transfer of energy to the community in this way:

> Living in a continuing co-operative presents a unique situation in community relations because, in fact, we have one more level of community involvement... active participation within this smaller community encourages us to extend our endeavors to the broad community as well.[54]

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51 Douglas Mulhall, Co-ops and the Poor: Getting Back to the Basics (Ottawa: Co-operative Union of Canada, 1975), p.36.

52 Co-operative Housing Foundation of Canada, From the Rooftops, November/December, 1981, p.1.

53 Trehearne, Co-operative Housing and Community Development, p.121.

54 See Laidlaw, Housing You Can Afford, p.180.

Housing co-operatives further benefit the larger community by providing organized concentrations of households that are easy to approach for public efforts. Several dozen co-operatives belonging to the Co-operative Housing Federation of Toronto, for example, recently organized simultaneous drives among their members to collect food for a local food bank.

From these practices of co-operative members providing both for their own needs and for those of the larger community flows an additional benefit to society-at-large: decreased dependence, on the part of both individuals and communities, on government institutions and public services. Since 1930, many western societies have become increasingly reliant on government services, and overservice has been held to result in apathy, loss of dignity and hopelessness. In the words of former Canadian Deputy Prime Minister, Allan MacEachen, however:

> Co-operatives have a self regulatory feature.... a built-in automatic mechanism that makes a great deal of government activity either unnecessary or much lighter.... The voluntary or democratic working of a co-operative means so much less regulation by the state at the expense of the public purse.... The more effective co-operative action we have in our economy, the less need we shall have for the machinery of government regulating the business affairs of the people.[55].

Illustrating this point, the ownership structure of Canadian housing co-operatives eliminates the often adversarial relationship between landlords and tenants and with it the necessity of costly enforcement of tenant protection legislation. Similarly, the members' interest in keeping housing costs low constitutes a system of voluntary rent control, again eliminating the necessity for government legislation and enforcement. Finally, the co-operative's internal process of problem resolution provides a vehicle for mediating community and neighbourhood problems. The results are not only reduced public expenditure on services and law enforcement but healthier, more vigorous communities in which people take control and work together to meet their common needs.

Social Integration and Neighbourhood Revitalization and Stabilization

Housing co-operatives in Canada have played a small but nonetheless important role in integrating, revitalizing and stabilizing neighbourhoods. Co-operatives promote social and economic integration at both the project and neighbourhood level. The Canadian practice of

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55 Co-operative Housing Foundation of Canada, From the Rooftops, June/July, 1978, p.2.

developing socially mixed co-operatives provides low-income households with an alternative to living in 100 per cent low-income housing. As well, co-operatives offer people with special needs, such as the disabled and elderly, many of whom were formerly limited to institutional living environments, the opportunity to live independently within a supportive and socially diverse community. At the neighbourhood level, inner city co-operatives help maintain a social mix in the face of increasing gentrification. In the suburbs, co-operatives often provide the only affordable housing for low and moderate-income households in desirable, family-oriented neighborhoods, whose residents are sometimes less than keen on heterogeneity.

Because a co-operative's management policies are determined by the residents themselves with their own needs in mind, rules tend to be more sensitive to residents' needs than in public or private rental developments. Co-operative members, for example, are allowed to change unit sizes as they age or their family configuration changes. This factor and the security of tenure inherent in co-operative ownership contributes to stabilizing both the co-operative community and the larger neighbourhood within which it is situated. There are many examples to illustrate how the rehabilitation of older rental stock or the conversion of non-residential buildings to non-profit co-operative housing has either preserved the social and physical fabric of neighbourhoods threatened by demolition or gentrification, or sparked new life in depopulating and deteriorating areas. In Montreal, for example, the residents of the downtown Milton Park neighbourhood, aided by powerful community associations, fought plans for the demolition and redevelopment of their modest homes. They succeeded in taking control of and preserving their neighbourhood by purchasing several city blocks and incorporating a number of housing co-operatives and non-profit corporations to take ownership of the housing. In the same city, the tenants of a group of twenty-three houses organized a co-operative to buy the homes and preserve their neighbourhood when they learned the houses were to be demolished for a new development. Dalhousie Co-operative in Ottawa rehabilitated old housing in a decaying working class neighbourhood that had become largely transient, facilitating a form of ownership among remaining residents and a new sense of pride in and commitment to the area. Parc Beausoleil Co-operative, in the same city, rose from the rubble of a community torn apart by urban renewal, ensuring the continuation of longstanding social relationships among long-term area residents who became members of the co-operative. Dufferin Grove Co-operative, which sprang up in an undesirable Toronto neighbourhood of absentee landlords and properties in disrepair, saved the community from a proposed high-rise development when residents collectively purchased a strategic building and blocked the development. As other residents of the area noticed the upgrading effect of the rehabilitated property and as the co-operative expanded to include additional buildings, the community fabric was strengthened.

A controversial proposal to develop a housing co-operative in another inner city neighbourhood in Toronto sparked a battle between middle class whitepainters desiring redevelopment of the old working class area into a fashionable downtown neighbourhood and in-situ low and moderate-income renters. The tenants' successful efforts to preserve some of the affordable housing in the area inspired two more co-operative conversions close by. Today, those three projects represent almost the only affordable housing in that neighbourhood. Similarly, the tenants of the Bain Apartments in Toronto, some of whom had lived in the complex for twenty and thirty years, saved their homes and community by forming a co-operative when the units were put on the condominium market at prices far beyond their means. And in Vancouver, Mountain View Co-operative was formed by the tenants of a private rental building which, due to poor management and maintenance, had become an unattractive low-income ghetto. When management moved to convert the apartments to condominiums, the tenants organized and succeeded in transforming the project into a self-governing co-operative community.

These graphic illustrations of housing co-operatives stabilizing and revitalizing neighbourhoods serve to underline the following conclusion reached by an American report on housing co-operatives:

> Housing co-operatives have succeeded in bringing back the spirit of neighborliness and community that had all but disappeared from many low- and middle-income areas of our big cities. They create feelings of permanence and sociability.[56]

As the preceding discussion indicates, while many parts of our cities are increasingly beset by social and economic alienation, co-operative communities are building integrated and stable neighbourhoods of people inspired with a sense of belonging and commitment to each other.

5. Problems and Future Prospects

Notwithstanding the success to date of the Canadian co-operative housing movement, its future as a significant presence in the housing market is not assured. Several factors -- some inherent in the organizational model of the co-operatives and others present in the external environment -- could limit the movement's growth in the future.

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56 National Association of Housing Co-operatives, Co-operative Housing, Vol. 4 (2) (Chicago, NAHC) as cited in Co-operative Union of Canada, Brief on Housing: Presented to the Federal Ministry of Transport and Task Force on Housing (Ottawa: CUC, 1968), p.18.

Management

The very strong emphasis placed on self-management in Canadian housing co-operatives undoubtedly accounts for many of the benefits associated with them: strong community bonds develop largely because neighbours must meet each other in the course of operating the co-operative. Without the emphasis on member participation which local management necessitates, there would be fewer opportunities for the self-development of members. As well, direct management enhances the members' ability to exercise control over their environment.

Self-management, however, has a number of drawbacks. In co-operatives that are operated entirely by volunteers, the participation requirement can be burdensome. Members may start out full of enthusiasm but their energy soon flags in the face of routine management and maintenance tasks that must be performed over and over again. Because members cannot or will not contribute equal amounts of time, work burdens are often distributed unequally, leading to resentment on the part of the more active members and an endless preoccupation with trying to get others to do more. Despite the members' constant efforts, basic services may be lacking. The appeal of such co-operatives among consumers is inherently limited; against the attractiveness of lower housing costs must be weighed the lower level of services received and the great time demands made. While most people can spare some time to participate in the management of their co-operative, it is unrealistic to expect everyone to make attending co-operative meetings a major hobby.

Co-operatives managed by volunteers are highly dependent on the skills of their members and extremely vulnerable, therefore, to loss of management expertise as their membership turns over. This is particularly the case in the smallest co-operatives, where two or three untimely moves can eliminate a co-operative's entire skills base. In co-operatives with more than fifteen or twenty units it is usually impracticable to rely entirely on volunteer management. Unless the co-operative has sixty or so units, however, it is hard to staff the project reliably and economically. Even co-operatives that are large enough to employ one or more fulltime staff find it difficult to recruit managers with the appropriate mix of property management and community development experience and skills. This factor, combined with the inexperience of volunteer boards of directors in managing human resources, leads to a high turnover of employees.

The movement is addressing these difficulties by providing training materials and courses for both volunteers and employees and encouraging the development and adoption of appropriate employment standards and personnel practices. In addition, secondary organizations play a vital role in advising co-operatives and their employees on day-to-day management matters. Nonetheless, although expanding education and support activities are contributing to management that is both more professional and more stable, this is an area where further development is needed.

The ability of the movement to broaden its appeal among consumers and ensure a high quality of management, while at the same time preserving the significant degree of member control that has characterized Canadian co-operatives to date, will depend on finding a management model that allows the daily tasks of management and maintenance to be delegated to employees or contracted out, while special projects and control over policies are reserved for the members. Freeing co-operative members from the treadmill of daily management would have the further benefit of releasing their energies to make a larger contribution to the surrounding community.

Construction and Maintenance

There is a tendency among most owners of property, including individual home owners, to reduce their short-term costs by undermaintaining the property at the expense of maximizing its useful life. Co-operatives are no exception; in fact, because co-operative members benefit directly and immediately from reduced operating costs, they are sometimes unwilling to budget the necessary funds to maintain the property, especially common areas, to a high standard. They may deliberately put up with a level of care and maintenance they would not happily accept from an outside landlord. Lack of professional management, to the extent that it results in ignorance of proper maintenance programs, exacerbates the problem. On the other side, it should be recognized that the members' sense of ownership results in a lower incidence of vandalism and a greater readiness to improve unit interiors and private outdoor areas than is typically seen in either private or public rental developments.

Although it is a condition of the programs under which most co-operatives in Canada have obtained capital funds that the co-operative budget for and fund a reserve for future capital replacements, where maintenance has been inadequate these reserves may prove insufficient to meet the more frequent replacements required. Canadian housing co-operatives have difficulty obtaining additional financing because of the practice of funding the initial development with

long-term, 100 per cent mortgage loans and requiring only a very modest capital investment from new members.

The movement has taken several steps to deal with both these problems, including educating members and staff in the importance of proper building maintenance, developing techniques for building condition studies and reserve fund planning, encouraging co-operatives to voluntarily increase their reserves, and persuading government to increase reserve requirements for newly funded co-operatives. As a result, the awareness and sophistication of both secondary co-operative housing organizations and co-operative members in this area has grown considerably in the past five years. Nonetheless, resolving the problem of a lack of a secondary financing source for existing housing co-operatives may require the participation of government in future.

The problem of undermaintenance is exacerbated by the government's chief method of controlling program subsidy costs: controls on the quality of product built. Initially, quality was limited through a system of benchmark prices and maximum floor areas. In some parts of the country this was augmented by lists of features co-operatives were prohibited from incorporating into their projects. Later a system of maximum unit prices was adopted. The prices are calculated by CMHC appraisers based on modest unit designs and adjusted periodically for changes in local land and construction costs. There are no longer specific design controls (other than minimum building standards) but project capital costs may not exceed the established maximum prices, and this has a very great impact on the quality of construction that is possible, as well as on unit sizes. While the co-operative housing movement accepts the concept of limiting unit costs, particularly since this provides an incentive to get the best use out of the capital dollars available, there are regular arguments with CMHC about the adequacy of the specific ceilings. Lately the federal Government has set a maximum dollar budget for assistance for co-operative housing production, as well as a limit on the number of units that can be developed each year. In the first year of the ILM Program the budget proved insufficient to permit the planned number of units to proceed. One consequence of the resulting political pressure from the movement was an informal decision to limit increases in maximum unit prices in certain areas of the country where land and construction costs had risen sharply in 1986. This was done in an effort to fund more units within the same budget. Unfortunately, the move has already had the effect of reducing the quality of product the co-operative housing sector can produce. There is concern that the projects now being built will have high maintenance and replacement costs and may have trouble attracting a clientele in the future if the housing market softens.

Preserving Co-operatives as Not-for-Profit Housing

In the long run, the ability of housing co-operatives to provide accommodation for moderate-income households depends not on public subsidies, which are designed only to ensure that at the outset co-operatives can compete in the marketplace, but on the continuing not-for-profit character of the housing. The essential point here is not the lack of profit-taking in the operation of co-operatives, which does not distinguish them from condominiums, for example, but the fact that the property is never resold or refinanced to generate a profit for the owners, and the fact that members cannot participate individually in the accumulation of equity in the project or in its increased market value. There is a great risk, however, particularly in the major urban centres where increases in property values regularly outstrip inflation, that co-operative members may try to earn individual capital gains, either by winding up the corporation and distributing the net assets among themselves or converting from collective ownership to some form of individual ownership, perhaps a condominium or full equity co-operative. While such a step would confer a significant financial benefit on the members of the day, it would ultimately have the effect of depriving future generations of low to middle-income households of a stock of affordable housing. That no attempts at conversion have been made by non-profit co-operatives so far in Canada is probably explained by the relative youth of the movement: its leadership is strongly committed to retaining the projects in non-profit ownership and, in addition, virtually all existing co-operatives are still subject to restrictive agreements with the Government that run until the original mortgage is repaid. Two initiatives have been discussed to protect against the threat of conversion in the future: one is to have co-operatives lease their land from community land trusts controlled by the movement; the other is to seek amendments to provincial co-operative statutes to ensure that, once organized, a non-profit co-operative cannot convert to another type of corporation. Steps to implement the latter solution are underway now in Ontario.

Perhaps of more immediate concern is the potential for a black market to develop in co-operative housing memberships or shares. At the moment, there is a shortage of rental housing in many Canadian cities (the vacancy rate in Metropolitan Toronto, for example, is currently .1 per cent)[57] and some co-operatives in desirable neighbourhoods are charging as little as half the going market rate. In these conditions, individual members may be tempted to try to "sell" their occupancy rights or sublet their units at a profit. The movement has

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57 See Canada Mortgage and Housing Corporation, News Release, May 28, 1987, Table 1.

taken important precautions against this threat, including prohibiting members from transferring their occupancy rights except through the co-operative, and imposing various restrictions on subletting. It remains to be seen how effective these measures will be in the future.

Lack of Capital

Because each housing co-operative is legally and financially autonomous and operates on a breakeven basis, the movement has no significant ability to raise development capital internally. A private entrepreneur can use the cash flows and profits from his existing units to initiate new projects. In contrast, the co-operative housing sector is almost completely dependent on government programs for start-up assistance. Because in virtually every part of the country new rental housing development is not viable without public subsidies, the growth of the movement would be constrained even if initial development costs could be financed internally; nonetheless the sector could take up government housing programs more efficiently and so grow more rapidly if projects were not delayed from the outset by either an absolute lack of cash or the red tape that accompanies government assistance. The movement has attempted to overcome this weakness by developing a risk capital pool in which individual housing co-operatives and socially minded organizations can invest surplus funds. The pool is used to underwrite start-up loans to new co-operatives. At present, however, it is much too small to provide a real alternative to government funding.

At certain times and in particular markets, new rental housing development, although unable to generate positive cash flows in the first several years, may be viable without direct public subsidy when looked at over the long term. In these conditions, an established private entrepreneur might choose to sustain negative cash flows in the early years of a project's life if projected future profits jusitfy it and provided he has sufficient cash flows from other investments. He can even benefit in the meantime by writing the early losses off against other income, reducing his income tax liability. Because each housing co-operative is an autonomous, non-profit organization, it must generate positive cash flows from the first year or risk bankruptcy. Co-operatives, therefore, have considerably less flexibility than private developers. Although index-linked mortgages could solve this particular problem, they are not currently available outside the federal Government's Co-operative Housing Program; the Government has imposed an upper limit on the number of units it will finance through the program, even where no public subsidy is required.

Financing Sector Organizations

Movement leaders have observed that housing co-operatives have the distinctive characteristic of being virtually self-sufficient once they are built. Their principal expenses -- mortgage payments, property taxes and utilities -- cannot be reduced through joint purchasing. As a result, housing co-operatives have no compelling economic reason to organize and fund strong regional or national federations. In this respect they differ from credit unions and retail co-operatives, which, due to the nature of their business activities, need wholesaling organizations. Often housing co-operatives will not acknowledge that they need outside support until they get into trouble.[58]

As a result of this situation, membership dues for existing co-operatives in CHF and the regional federations have remained very low, generating insufficient resources to fund the support services individual co-operatives need. To date the shortfall has been covered through a system of voluntary levies on developing housing co-operatives, which are incorporated into the co-operatives' capital financing. This is a precarious source of income, however, depending as it does entirely on the regular production of new units. Yet the existence of local, regional and national associations of housing co-operatives is absolutely critical, not only to the successful ongoing operation of housing co-operatives after they are built, but to the continued expansion of the movement. In the past twenty years, CHF and its member federations have played an essential role in developing public support for co-operatives and lobbying governments to introduce effective financing programs. Without their efforts, it is extremely doubtful whether government would have taken any initiative to make the co-operative alternative available to Canadian consumers.

Efforts are underway in the movement to address the underfunding of sector organizations. The members of CHF have two years in a row voted to nearly double their membership dues and local federations have similarly sought and obtained substantial increases in dues. At present, combined dues to the local and national associations vary from a low of two dollars to a high of five dollars per month per member household. Given the savings their members are enjoying, co-operatives could well afford to pay higher dues.

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58 Goldblatt, Building a Co-operative Housing Sector, forthcoming.

Public Policy Environment

The greatest impediment to the future expansion of the co-operative housing sector in Canada lies not in the weaknesses inherent in the structure of the movement or in the style of co-operative developed, but in a public policy environment that is antipathetic to the aims of co-operatives. It was a minority government that initiated the first non-profit co-operative housing program in 1973, after considerable lobbying and in the wake of dissatisfaction with the results achieved through both private entrepreneur rental programs and public housing. But despite the popular success of the co-operative and non-profit programs of the 1970's, in the early 1980's CMHC reverted to the view that housing subsidies should be directed exclusively toward the neediest households. Implicit in this position is the belief that everyone else can afford to buy or rent a home produced by the profit-oriented private development industry. It was this policy change that resulted in the major changes in CMHC's housing programs in 1986.

Housing co-operatives, with their emphasis on community non-profit ownership and social integration, run directly counter to the new policy trend. The introduction of the new co-operative program in 1986, which preserved most of the essential features of co-operative housing as it has developed in Canada, was an anomaly explained largely by the movement's past success in lobbying the federal Government. The program has only been guaranteed a five year life, however, and there is the very real likelihood that CMHC will try to terminate it at the end of that period. Alternatively, CMHC may try to impose a requirement on new co-operatives that all members pay geared-to-income rents, or the Corporation may move to revise the operating subsidy formula to ensure that co-operative housing charges never fall below the level of rents in the private sector. The latter may seem a curious approach to providing affordable housing, but it is consistent with the Government's current philosophical position; in fact, such a scheme was introduced in 1978 but withdrawn almost immediately when the co-operative housing movement complained to the Minister responsible for housing that it would eliminate every economic incentive to form co-operatives.

The housing policy environment is, of course, an external factor over which CHF has no control. The movement's strategy, in the face of intransigent government attitudes, has been to pressure and attempt to out-argue government decision-makers regarding the need for and benefits of co-operative housing. CHF has launched several lobbies in the past, the most recent in late 1986. At that time, CHF's twenty six thousand member households, four hundred member co-operatives, sixty member resource groups and fifteen member federations

were mobilized, along with allied organizations such as the National Anti-Poverty Organization and the National Action Committee on the Status of Women, to visit and write to Members of Parliament. The effort was successful, resulting in a further $1.6 million of assistance for new co-operative housing development in 1987. Although lobby tactics, with their uncertain success and drain on the movement's energy and finances, are not an entirely effective response to policy impediments faced by the sector, they are, at present, the only workable tool at CHF's disposal.

6. Conclusion

The co-operative housing movement has earned a permanent place on Canada's housing scene. As the number of renters in large urban centers continues to increase, renter incomes relative to those of home owners fall, and construction and development costs continue rising, it is becoming clear that greater reliance must be placed on the non-profit housing sector to provide low and moderate-income households with secure, affordable shelter. Moreover, until now only the non-profit sector has been willing to undertake the costly and often demanding task of providing units designed for people with disabilities or special support service needs. And non-profit projects, situated as many are in older inner city neighbourhoods where low and moderate-income households have traditionally resided, can help to revitalize those areas and stabilize them against gentrification and incursion from commercial interests.

Through the development of non-profit co-operatives, however, these achievements, common to all forms of non-profit housing, can be surpassed. The welding together of the non-profit and co-operative principles produces a uniquely effective vehicle for meeting housing and other social needs simultaneously. Non-profit housing co-operatives result in integrated communities, providing opportunities for low-income and other disadvantaged households to live independently and affordably alongside moderate and middle-income households, rather than in the 100 per cent rent-geared-to-income settings of public and now private non-profit developments. Interestingly, despite the recent public policy swing away from income-mixed housing programs, public opinion is supportive of income mix. According to a 1985 survey undertaken by Environics Research Group, a majority of responding households agreed that recipients of government housing assistance should be housed in mixed settings containing some market rental units, instead of being segregated in 100 per cent low-income projects.[59]

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59 Environics Research Group Limited, Homes National Housing Policy Report, Summer 1985 (Toronto: Environics, 1985), p.9.

The strongest argument in favour of the co-operative alternative, however, is that it maximizes control by individuals over their living environment. In contrast to most non-profit projects, where opportunities for resident participation in management and decision-making are either limited or non-existent, co-operatives possess a power equalization structure that facilitates personal growth and encourages increased social responsibility. In the process, strong neighbourhoods are created and residents develop a stake in their community.

Despite the negative policy environment and the other problems outlined above, Canada's co-operative housing movement looks to the future with considerable optimism. Although the movement has its critics, those who live in co-operatives are most qualified to testify to its success. And those 52,000 Canadian households comprise a powerful and committed lobby group that, as mentioned above, has rallied successfully a number of times when the program's future appeared tenuous. Even more important, however, is the fact that the need for an affordable alternative to both owner-occupied and private rental housing has been undeniably established. As stated above, in 1982 over 23 per cent of renter households in Canada--more than 500,000 households -- were unable to afford adequate, uncrowded housing without paying more than 30 per cent of their gross income and approximately 19.5 per cent of home owners with mortgages -- almost 200,000 home owners -- experienced affordability problems.[60]

The presence of co-operative housing on the Canadian housing scene has increased the housing consumer's choice in the marketplace. Consequently, co-operative housing has become a sought-after tenure option among renter and home owner households who have found it difficult to compete or find suitable accommodation in the private housing market, and who desire security of tenure and control over their living environment. Indeed, many of the co-operative development resource groups across Canada maintain waiting lists two and three years long and a January 1987 Gallup Poll commissioned by CHF found that 50 per cent of renter households were open to trying the co-operative housing option.[61] Moreover, in that medium-term population projections suggest that family households as a proportion of total households will continue to comprise the most common household type into the 1990's and statistics indicate that the number of single-parent households is increasing, one can deduce that co-operative housing, which CMHC and government view as "family housing", will continue to be in great demand.

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60 Canada Mortgage and Housing Corporation, Section 56.1 Program Evaluation, pp. 35 and 41; Canada, Consultation Paper, p.16, Appendix I.

61 Co-operative Housing Foundation of Canada internal memo.

A third reason why the movement can be optimistic about its future is its track record in integrating special needs households into normal community living environments. Preliminary results from a survey conducted recently by CHF indicate that 15 per cent of all housing projects developed under the federal co-operative housing programs to date contain units that serve households with special needs, with most of those projects serving more than one special need group.[62] All told, fourteen different special groups, ranging from the mobility and mentally impaired to single parents, battered women and refugee groups, are represented in the sector. This important activity undertaken by the co-operative housing movement is, again, consistent with public opinion regarding integration. A 1986 survey found that 69 per cent of respondents favoured integrating into the community former mental patients, 79 per cent favoured integrating lower income single-parent families, 82 per cent lower income two parent families, 90 per cent lower income seniors and 92 per cent the physically disabled.[63]

Finally, public awareness and perception of co-operative housing has, since the early 1970's, increased and grown more favourable. Indeed, the recent Gallup Poll commissioned by CHF found that 75 per cent of those surveyed had heard of housing co-operatives, that 79 per cent of those expressing a definite opinion felt positively about housing co-operatives, and that 72 per cent were in favour of government financial support for housing co-operatives.[64] Given its successes in addressing the housing problem and backed by such public support, the co-operative housing movement will continue to urge government to base its housing policies not on narrow ideological, statistical and fiscal analyses but rather on the potential for alternative solutions to improve the quality of life for both individuals and communities while meeting Canada's housing needs.

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62 Co-operative Housing Foundation of Canada calculations.

63 The survey reported less than majority support only for integrating young offenders and adults on parole. Environics Research Group Limited, Homes National Housing Policy Report, Summer 1986 (Toronto: Environics, 1986), p.6.

64 Co-operative Housing Foundation of Canada internal memo.

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